

104TH CONGRESS
2D SESSION

S. 1704

To provide for the imposition of administrative fees for medicare overpayment collection, and to require automated prepayment screening of medicare claims, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 25, 1996

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for the imposition of administrative fees for medicare overpayment collection, and to require automated prepayment screening of medicare claims, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Reduction In Medicare
5 Overpayment Costs Act of 1996”.

1 **SEC. 2. ADMINISTRATIVE FEES FOR MEDICARE OVERPAY-**
2 **MENT COLLECTION.**

3 (a) ADMINISTRATIVE FEES FOR PROVIDERS OF
4 SERVICES UNDER PART A.—Section 1815(d) of the Social
5 Security Act (42 U.S.C. 1395g(d)) is amended by insert-
6 ing “(1)” after “(d)” and by adding at the end the follow-
7 ing new paragraph:

8 “(2)(A) Except as provided in subparagraph (B), if
9 the payment of the excess described in paragraph (1) is
10 not made (or effected by offset) within 30 days of the date
11 of the determination, an administrative fee of 1 percent
12 of the outstanding balance of the excess (after application
13 of paragraph (1)), or such lower amount as an Adminis-
14 trative Law Judge may determine upon an appeal of the
15 initial determination of the excess, shall be imposed on the
16 provider, for deposit into the Trust Fund under this part.

17 “(B) The administrative fee shall be imposed under
18 subparagraph (A) on a provider of services paid on a pro-
19 spective basis only if such provider’s cost report with re-
20 spect to the payment determined to be in excess of the
21 payment due under this part indicates that the provider’s
22 projected costs exceeded its actual costs by 30 percent or
23 more.”.

24 (b) ADMINISTRATIVE FEES FOR PROVIDERS OF
25 SERVICES OR OTHER PERSONS UNDER PART B.—Section
26 1833(j) of the Social Security Act (42 U.S.C. 1395l(j))

1 is amended by inserting “(1)” after “(j)” and by adding
 2 at the end the following new paragraph:

3 “(2) If the excess described in paragraph (1) is not
 4 made (or effected by offset) within 30 days of the date
 5 of the determination, an administrative fee of 1 percent
 6 of the outstanding balance of the excess (after application
 7 of paragraph (1)), or such lower amount as an Adminis-
 8 trative Law Judge may determine upon an appeal of the
 9 initial determination of the excess, shall be imposed on the
 10 provider, or other person receiving the excess, for deposit
 11 into the Trust Fund under this part.”.

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to final determinations made on
 14 or after the date of the enactment of this Act.

15 **SEC. 3. AUTOMATED PREPAYMENT SCREENING REQUIRE-**
 16 **MENT.**

17 (a) DETERMINATION BY ADMINISTRATOR.—By Sep-
 18 tember 1 of each year (beginning with 1996), the Adminis-
 19 trator of the Health Care Financing Administration, after
 20 consultation with the Comptroller General of the United
 21 States, shall determine—

22 (1) the medical diagnoses by providers of serv-
 23 ices under title XVIII of the Social Security Act
 24 which frequently result in overpayments to such pro-
 25 viders under such title; and

1 (2) the percentage of claims involving the diag-
2 noses described in paragraph (1), that fiscal
3 intermediaries and carriers under such title shall
4 screen before payment is made in order to avoid
5 such overpayments.

6 (b) REQUIREMENT FOR FISCAL INTERMEDIARIES
7 AND CARRIERS.—The Secretary of Health and Human
8 Services shall not enter into a contract with a fiscal
9 intermediary or carrier under title XVIII of the Social Se-
10 curity Act unless the Secretary finds that such
11 intermediary or carrier will screen the claims for payment,
12 in accordance with subsection (a), under such title.

13 (c) NOTICE TO FISCAL INTERMEDIARIES AND CAR-
14 RIERS.—The Secretary shall cause to have published in
15 the Federal Register, in the last 15 days of October of
16 each year, the results of the determination made under
17 subsection (a).

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